

Chapter 5

Funding

The construction, maintenance, and operation of a multi-modal transportation system are completely dependent on funding. Overwhelmingly, projects require funding from multiple sources. Loudoun County provides only a small local funding match through two programs, the local gasoline tax and Business Professional and Occupancy License (BPOL) revenues. The County does not construct new roads and must depend on state and federal funds or private sector contributions. Funding presents the biggest challenge to providing transportation improvements and services and competition is stiff as available funds fall short of need. There is stiff competition among local jurisdictions for federal and state funds. The inherent uncertainty in transportation financing prevents the County from fully controlling the timing of infrastructure improvements. Most improvements are linked to the build-out thresholds of individual private sector projects or the success in securing state and federal funds. The County's position is to take advantage of all available funds. As such, the Revised Countywide Transportation Plan calls for continuation of the process of setting priorities through annual project review and provides guidelines and direction for funding acquisition and management. This chapter and Appendix Three identify many of the funding sources that the County will rely on to finance transportation programs.

General Funding

Transportation improvements are expensive but essential, for both economic development and quality of life. Road and transit improvements in the Suburban Policy Area are integral to attracting and retaining high-income jobs that benefit the County and the entire state. The Northern Virginia Transportation Coordinating Council (TCC) adopted the regional 2020 Plan in December 1999. The 2020 Plan identifies \$30 billion in projects that are considered necessary over the next 20 years to avoid inadequate travel conditions on regional roads and transit systems. Approximately \$16 billion should be available, leaving a projected funding shortfall of \$700 million a year for the next 20 years.

With the exception of the Local Gasoline Tax Program and BPOL funds dedicated to the Dulles Corridor Rapid Transit Project, Loudoun County receives transportation funding from federal, state, and private sector sources. The Transportation Efficiency Act for the 21st Century (TEA-21) establishes a number of federal funding opportunities. Funds allocated to these programs are largely distributed through state-administered programs. The two largest TEA-21 programs are the National Highway System (NHS) and the Surface Transportation Program (STP). NHS funds can only be allocated to County roads in the National Highway System; namely US 15, US 50, and VA Route 7. Funds are received through the Virginia Transportation Development Program (VTDP). STP funds reach Loudoun projects through both the VTDP and Secondary Road Improvement Programs (SRIP), as well as the regional STP Enhancement and Safety Programs. The County also receives state funds. Appendix Three outlines the various funding sources that are available to the County. The policies below present the County's funding strategy. Table 5-1 (pg. 5-5) summarizes funding sources.

Funding Policies

1. The County will seek to maintain its fair share of funding sources, which include state, local and federal funds. The County will continue to seek innovative funding measures, such as special taxing districts, private toll roads, TEA-21 grants; Community Development Authorities (CDAs), and measures envisioned by the Public-Private Partnership Act (PPTA) to assist in financing roads, alternative transportation mode(s) and transit improvements.

2. The County will continue to work with the Commonwealth Transportation Board and the General Assembly to ensure that Loudoun County continues to receive its fair share of state funding through all funding mechanisms.
3. Loudoun County will work with the state to establish a more accurate assessment of Loudoun County's transportation needs prior to changing funding formulas or developing new sources of transportation funds.
4. The County supports:
 - a. Protecting Revenue Sharing Programs and the Local Gasoline Tax Program funds;
 - b. Additional state and local revenue sources for transportation;
 - c. Use of Northern Virginia Transportation District Program bonds, which rely on recordation taxes, right-of-way fees, and other funds, to fund priority transportation projects. Future bond authorizations should have advance approval by the Board of Supervisors.
 - d. Holding Loudoun County's unpaved roads funds to at least the current level and preferably increasing funding levels for the next six years with priority to Sycolin Road and Loudoun County Parkway improvements;
 - e. More flexibility in VDOT local road standards to lower the costs for safety improvements on roads; and
 - f. Use of the Commonwealth's Airport Fund.
5. The County will request the state to adopt formulas for allocating the Transportation Trust Fund in Virginia that provide the greatest alternative transportation and primary and secondary road funding.
6. The County will continue to pursue and use federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds and state transit capital and operating funds to increase transit options in the Suburban Policy Area.
7. The County will seek funding for the construction of the planned facilities discussed in the *Revised Countywide Transportation Plan* and the Countywide Bicycle and Pedestrian Mobility Master Plan through a variety of public and private funding sources.
8. The County will seek TEA-21 funds for bicycle facility improvements.
9. The County will seek a wide range of funding sources for bicycle and pedestrian facilities, including federal, state, and Local funds, public-private partnership funds, private-sector proffer donations, and private property owner easements, and citizen donations.
10. The County will support the construction of pedestrian overpasses where needed through acquisition of public-sector funding sources such as TEA-21 Enhancement Program funds, as well as private-sector contributions.
11. The County will seek TEA-21 National Scenic Byways Programs Funds to develop and enhance Loudoun's National Scenic Byways, All-American Roads, and state Scenic Byways (Virginia Byways as listed in Chapter Four of the *Revised Countywide Transportation Plan*). These funds can also be used to construct facilities along the highway for use by pedestrians and bicyclists.

12. The County will evaluate the desirability of creating a transit fund for the planning, development of facilities and/or operation of public transit. Possible sources for the creation of the fund include bonds, the allocation of a portion of the Local Gas Tax Program revenue, state and federal funding, public/private partnership funding, and/or proffer contributions for development of facilities. Depending on the results of that evaluation, the County may create such a fund.
13. The County will continue to use funds derived from the Loudoun County Local Gasoline Tax Program and designated transportation funds and transportation proffers derived through development applications to match state revenue sharing funds.
14. The County may allocate a portion of local gas tax revenues and designated transportation funds for construction of alternative transportation networks, traffic calming and other transportation improvements.
15. Local Gasoline Tax Program revenues may be used to supplement private funds for transportation projects.
16. Designated transportation funds will be used in accord with the elements adopted with the Loudoun County Transportation District Commission Interim Transportation Plan. Any expenditure of Local Gasoline Tax revenue must fall into at least one of the following elements:
 - a. Transportation Improvement category:
 - i. Intersection safety improvements on the roads of the Primary system;
 - ii. Spot improvements that improve safety on rural roads;
 - iii. Interchange or intersection improvements along Route 7 and Route 28;
 - iv. Improvement and promotion of public transportation, including park-and-ride lot development, car and van pooling, commuter bus service, and other transportation system management measures, including bike and walking paths;
 - v. Enhancement of human-service specialized transportation programs, particularly for elderly and handicapped persons;
 - vi. Authorization of special transportation planning studies;
 - vii. Consideration of implementing elements of the VDOT's 2010 Statewide Highway Plan, Northern Virginia District;
 - viii. Traffic calming measures; and
 - ix. Creation and implementation of an alternative transportation network.
 - b. Intergovernmental and public/private cooperation category:
 - i. Leverage private contribution to expedite road construction;
 - ii. Supplement funding to expedite primary or secondary road projects;
 - iii. Supplement regionally oriented road improvements within or near incorporated towns;
 - iv. Provide the local share for the state's Revenue Sharing Program; and,

- v. Consider use of the tax revenues as payment for road improvement bonds.
- 17. The County and private developers will fund the development of park-and-ride lots. The County will seek funds from a variety of sources including federal, state, County and Local Gasoline Tax, and other private sector sources.
- 18. The County will review annually a primary project's priority through the state's Virginia Transportation Development Plan (VTDP) Program and annually review the secondary road priorities through the Secondary Roads Improvement Program.
- 19. Funding safety improvements on arterial and collector roads such as traffic signals and turn lanes is a County priority.
- 20. Notwithstanding a commitment to secure future reimbursements, preference for the use of available public funding will be given to improvement projects that are necessary to complete final sections of a transportation facility that is of high priority in the *Revised Countywide Transportation Plan* when no other funding option exists.
- 21. The County will make maximum use of available and designated transportation funding sources to construct alternative transportation networks and road improvements specified in this plan in the shortest possible time frame.
- 22. The County will participate in a public authority that will fund and manage local and express bus service.
- 23. Where appropriate, the County will combine funding from two or more funding sources to provide expedited construction schedules for alternative transportation networks and road improvements.
- 24. The County will seek the use of other road improvement funding mechanisms, such as proffers and taxing districts, which do not require local county funding.

Proffers

A proffer is a voluntary commitment made by a land-owner at the time that an application for a zoning map amendment is approved. Proffers are enforceable agreements that run with the land and are intended to offset the impacts of a proposed development. Proffers are reviewed for implementation during the site plan and subdivision processes that come after a rezoning process. Proffers assist in improving the public infrastructure needed to serve new residents and users of new developments.

Ensuring that the impacts of a project on the transportation system are addressed is of primary importance to the County. The County seeks physical transportation improvements where appropriate and in accord with all applicable policies of the *Revised General Plan*. However, the County will consider cash contributions as well. In order to address the potential that a proffered improvement may be constructed by others, a "cash-in-lieu" clause can be considered. The development community and the County maintain the flexibility to coordinate the timing and location of improvements between projects in response to changing needs and opportunities.

Dependence on proffers as a key instrument for the financing of transportation improvements can be problematic. When proffers for different components of a local system (for example, different segments of the same road) are offered by different developers, there can be no assurance that all of the segments will be built in a timely way so that the system will be fully functional when it is needed.

Proffer Policies

1. The County will actively seek transportation fund proffers, including those for transit, from residential and non-residential rezonings.
2. A case-by-case analysis of the needs for road improvement construction and/or regional road contributions must be made for each project. The construction of full frontage improvements to existing roads and construction of planned new roads will be coordinated with each development project.
3. Private participation in the funding and/or development of the transportation system may include, but need not be limited to:
 - a. Access improvements beyond those required by the County *Land Subdivision and Development Ordinance* (LSDO);
 - b. Frontage improvements beyond those required by the LSDO;
 - c. Appropriate right-of-way for on-site roads not required by the LSDO;
 - d. Appropriate cross-section of roadway to accommodate traffic beyond that generated by the project;
 - e. Regional improvements (on and off-site) and/or contribution to a regional road improvement trust fund, if needed;
 - f. Traffic signalization at intersections;
 - g. Development and improvement phasing;
 - h. Interparcel connections beyond those required by the LSDO;
 - i. Design and implementation of alternative transportation network;
 - j. Sidewalks, pedestrian road crossings, bicycle trails;
 - k. Land acquisition or contributions toward eminent domain proceedings;
 - l. Routing and scheduling construction and industrial traffic to minimize impacts on adjoining areas;
 - m. Contributions towards abandonment/vacation of right-of-way proceedings;
 - n. Travel Demand Management measures.
4. When a roadway running through a property is designed for capacity in excess of that needed for the project, the excess capacity will be credited toward anticipated regional transportation impact-mitigation measures.
5. When phasing a project, the transportation capacity to serve each phase of the project must be available at the commencement of that phase.
6. The County anticipates that transportation proffers will contain a “cash-in-lieu” trade-in clause for all road improvements and services proposed to address the situation where others actually construct a proffered road improvement. The value will be based on actual construction cost, as adjusted over time, until the time of contribution.

7. When converting a constructed improvement to a “cash-in-lieu” contribution, the area in which those funds can be used will be defined by a traffic impact study undertaken by the developer and approved by the County to determine the area impacted by the project. The catchment area will include the arterial and collector roads to which the project is connected.
8. The County will value right-of-way dedications based on County pre-zoned assessment values at the time of the zoning map amendment application in accord with Capital Facilities Proffer guidelines.
9. Transportation improvements required by the LSDO or state regulations will not be accepted for transportation proffer credit.
10. Where private contributions to improvements in the transportation system are in the form of contributions to a regional road improvement trust fund the County’s decision on the appropriateness of these contributions will be guided by an analysis of acceptable levels of service based on volume to capacity ratios, the projected costs of additional road improvements, and projected funding levels throughout the plan horizon.
11. The County will consider proffers for transit capital and route start-up costs.

Table 5-1: Summary of Funding Sources by Facility Type

	Freeways	Primary Roads	Secondary Roads	Transit	Bicycle	Pedestrian	Scenic Byways
State Funding Sources							
Virginia Transportation Development Plan (VTDP)*	X	X		X	X	X	X
State Secondary Road Improvement Funds			X			X	
NOVA State Priority Bond	X	X	X	X			
State Recreational Access Funds			X		X		
State Industrial Access Funds			X				
Federal TEA-21 Funding Sources							
National Highway System	X	X			X	X	
Surface Transportation Program (STP)	X	X	X	X	X	X	
STP Infrastructure Safety Apportionment		X	X	X	X	X	
Federal Non-Urbanized Grant Formula Funds				X	X	X	
TEA-21 Job Access Grants**				X			
Congestion Mitigation and Air Quality Improvement		***X	X	X	X	X	
Transportation Enhancements		X	X		X	X	X
Bicycle Transportation and Pedestrian Walkways (NHS)		X			X	X	
Recreational Trails Programs					X	X	
National Scenic Byways (can also be applied to Virginia byways)			X		X	X	X
GARVEE Bonds (in Virginia these are called FRANs)	X						
Local Funding Sources							
Business Professional and Occupancy License (BPOL) Revenue				X			
Local Gasoline Tax	X	X	X	X			
Private Sector Funding Sources							
Special Tax Districts	X	X		X			
Private Toll Road Construction	X						
Proffers	X	X	X	X	X	X	
Impact Fees	X	X	X	X			

* Includes all anticipated funds that are channeled through the Commonwealth Transportation Board

** Can be applied to all surface transportation facilities but primary funding directed to checked facilities

*** Applies only to Coordinated Traffic Signal Program